

**REMARKS**

Applicant hereby responds to the Office Action of June 6, 2008, in which all of pending Claims 1-7 were rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Pat. No. 5,713,314 to Payne, et al. (hereinafter "PAYNE") in view of U.S. Pat. No. 5,794,207 to Walker, et al. (hereinafter "WALKER"). No other issues were presented. For the following reasons, Applicant respectfully submits that all of pending Claims 1-7 are in condition for allowance, and early notice to that effect is requested.

By the present Amendment to the Claims, Applicant has amended Claim 1 to clarify certain features as set forth below, and cancelled Claims 5, 6, and 7. New Claims 8, 9, 10, and 11 have been added.

**1. Independent Claim 1 is not rendered obvious by PAYNE in view of WALKER**

In the subject Office Action, PAYNE was alleged to teach all of the features recited in Claim 1, except for the transfer of funds into a set-aside account, the sending of a signature to the escrow provider to provide delivery verification and the charging of a fee by the escrow provider. Such features, however, were alleged as being taught by WALKER. The Office recognized that PAYNE did not have features particular to transacting bets and wagers, but it was asserted that one of ordinary skill in the art would have equated the products being bought and sold in PAYNE to such claimed bets and wagers.

Without conceding the propriety of the asserted combination of PAYNE, WALKER, and the Office's findings as to the equivalency of wagers and products, it is submitted that the asserted combination does not include at least one of the features recited in Claim 1. Applicant respectfully submits that the failure of an asserted combination to teach or suggest each and every feature of a claim remains fatal to an obviousness rejection under 35 U.S.C. § 103. MPEP §2143.03 requires the "consideration" of every claim feature in an obviousness determination. However, more than mere "consideration" is required, in that the asserted combination must also teach or suggest *each and every claim feature*. See *In re: Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (C.C.P.A. 1984) (emphasis added). As recently held by the Board of Patent Appeals and Interferences, a proper obviousness determination requires that an examiner make a "searching comparison of the claimed invention – *including all its*

*limitations* – with the teachings of the prior art.” See *Ex Parte: Wada and Murphy*, Appeal 2007-3733, citing *In re: Ochiai*, 71 F.3d 1565, 1572 (Fed. Cir. 1995) (emphasis in original). Indeed, the necessary presence of all claim features is axiomatic, since the Supreme Court has long held that obviousness is a question of law based on underlying factual inquiries, including “ascertaining the differences between *the claimed invention* and the prior art.” *Graham v. John Deere Co.*, 383 U.S. 1, 148 (1966) (emphasis added).

PAYNE generally appears to be directed to a network-based sales system in which payment for the purchase of electronic content is processed independently of the merchant therefor. Fulfillment of the purchase, including delivery, is apparently completed by the merchant upon instruction or indication from the payment processor. With reference to FIG.1 of PAYNE, the buyer computer 12 initiates a request to purchase a product from the merchant computer 14, and a payment message containing information on the specific product that was purchased is sent to the payment computer 16. After receipt of payment, the payment computer 16 transmits a product identifier and an access message authenticator based on a cryptographic key. In this regard, the payment computer 15 securely signals the merchant computer 16 that a specific product was purchased, and then the merchant computer 14 proceeds to complete delivery.

WALKER appears to be directed to a method and apparatus for effectuating bilateral buyer-driven commerce, in which prospective buyers of goods and services communicate a binding purchase offer to potential sellers. The apparatus accepts purchase offers from the buyer, and confirms that the buyer has sufficient funds for the purchase, or transfers funds into an escrow account. Upon confirmation of delivery of the goods or services to the buyer, the funds are transferred to the seller.

Applicant respectfully disagrees with the Office’s finding that bets and wagers are analogous to products and services, particularly with respect to embodiments of the present invention as recited in Claim 1. A customer places a bet on an event or combination of events that will occur in the future over a period of time, and both the customer and the merchant must be guaranteed that the other has a sufficient amount of funds to cover the wager throughout such time period. Neither PAYNE nor WALKER consider these gaming-specific issues, and accordingly do not teach or suggest the claimed features attendant thereto. In

further detail, it is submitted that PAYNE and WALKER do not teach or suggest the various accounts necessary for implementation of a method for placing a wager on gaming action as set forth in Claim 1. As a clarification of such gaming-specific features, Claim 1 has been amended to recite the step (f) of verifying the merchant can cover the wager “with funds in a prescribed account.”

PAYNE and WALKER both fail to teach or suggest the “prescribed account” in which all funds necessary to cover all wins and losses in a given gaming action is stored. Throughout the detailed analysis of steps (a)-(h), the Office repeatedly appears to equate the gaming wager as a product purchase without pointing out how product purchases would utilize the claimed “prescribed account” that is separate from the customer’s deposit account, the merchant’s transfer account, and the escrow account. Indeed, in the PAYNE and WALKER teachings, there would be no need for one because in relation the goods and services purchase transactions as contemplated therein, such an account would be superfluous. In other words, checking the existence of a product in the merchant’s inventory is entirely different from verifying and maintaining an appropriate balance in the “prescribed account” (which can be a casino cage or a gaming post-up account), a balance that changes from one instant in time to another because of the betting action.

Accordingly, Applicant respectfully submits that because at least the foregoing feature of the “prescribed account” is taught or suggested in PAYNE or WALKER, a *prima facie* case of obviousness has not been established. Reconsideration and withdrawal of the rejection of Claim 1 is respectfully requested.

**2. Dependent Claims 2-4 and 8-11 are not rendered obvious by PAYNE in view of WALKER**

As asserted above, Applicant submits that Claim 1 is not rendered obvious by a combination PAYNE and WALKER. Because Claims 2-4 and 8-11 depend from allowable base Claim 1 and recites additional features, it is submitted that such claim is also allowable. Favorable consideration of Claims 2-4 and 8-11 is respectfully requested.

Application No.: 10/777,344  
Response to Office Action of June 6, 2008  
Attorney Docket: UNICA-002BC

**3. Conclusion**

On the basis of the foregoing, Applicant respectfully submits that each and every pending claim of the present invention meets the requirements for patentability and respectfully requests that the Examiner indicate the allowance of Claims 1-4 and 8-11 of the present application. An early Notice of Allowance is therefore respectfully requested. If any additional fee is required, please charge Deposit Account Number 19-4330.

Respectfully submitted,

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